# Labour Market Notes

## Employment held steady

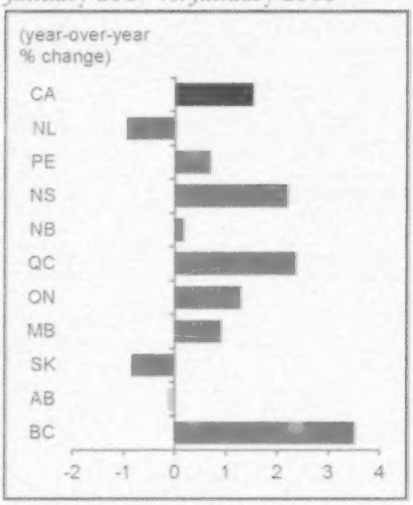
### Alberta

- Employment remains flat in January. Alberta's employment remained essentially flat (+200) in January 2017 following a gain of 5,700 in December. On a year-over-year basis, employment was little changed declining by a modest 3,100 or 0.1%, far less than the large declines experienced in 2016. Employment has increased in five of the last six months, gaining 17,900 since the low in July 2016.
- Unemployment rate increases to 8.8%. The unemployment rate reversed some of the decline from December, increasing 0.3 percentage points to reach 8.8 per cent in January. The increase was a result of 8,600 more Albertans joining the labour force that subsequently increased the participation rate to 72.9.
- Losses in full-time offset by gains in part-time. The monthly job gains were in part-time positions (+24,600) which more than offset losses in full-time positions (-24,300). Despite the decline in full-time positions, they remain 4,700 above the July 2016 low. Monthly gains in the self-employment (7,400) and the public sector (2,500) offset declines in private sector employment (-9,600).
- Divergence between the goods and service sector. The goods-producing sector continued to struggle in January, with employment declining by 11,300, whereas the service sector employment expanded by 11,600. On a year-over-year basis, 47,400 fewer Albertans were employed in the goods sector. Conversely, employment in the service has expanded by 44,300 over the past twelve months.
- Earnings remain soft. Average Weekly Earnings (AWE) increased 0.8% in November to $1,114, nearly reversing October's decline. Earnings remain soft, down 1.6% year-over-year, as lower earnings in the service sector (-1.9% y/y) overwhelmed gains in the goods sector (1.0% y/y).

### Canada

- Employment in Canada continues to rise. Canadian employment increased by 48,300 in January, the twelfth monthly increase in the last fourteen months. Employment increased in eight of the ten provinces, with the strongest gains in Ontario (+28,800) and British Columbia (+11,200). Year-over-year, Canadian employment has risen by 276,100, the largest 12 month gain since February 2013.
- National unemployment rate ticks down to 6.8%. The Canadian unemployment rate fell 0.1 percentage point to 6.8% in January as gains in employment outpaced growth in the labour force.
- Canadian earnings increase. Canadian average weekly earnings (AWE) totaled $961 in November up from $953 in October, a modest 0.8% increase from a year ago.

Employment Growth by Province, January 2017 vs. January 2016




**Source:** Statistics Canada

Alberta Labour Market Indicators

| Indicator | Latest* |
|---|---|
| Employment | 2,267,600 |
| month-over-month change | 200 |
| year-over-year % change | -0.1% |
| Alberta Unemployment Rate (UR) | 8.8% |
| Edmonton UR** | 8.1% |
| Calgary UR** | 9.8% |
| Participation Rate | 72.9% |
| Average Weekly Earnings (AWE) | $1,114.27 |
| year-over-year % change | -1.6% |
| Average Hourly Wage | $29.54 |
| year-over-year % change | +0.9% |
| Job Vacancy Rate*** | 1.4% |

**Source:** Statistics Canada

* All data is from the January 2017 Labour Force Survey, except AWE which is the November 2016 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for October 2016.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

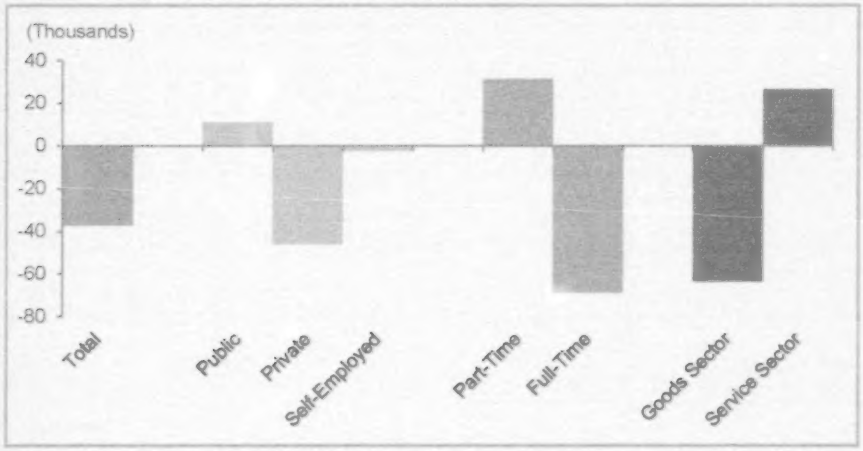
# Employment trends in 2016

*Alberta's labour market deteriorated in 2016. Employment fell by 1.6%, the largest contraction since 1983. Although part-time and service sector employment increased, there were large declines in full-time and private sector employment. This labour insight looks at the composition of Alberta's employment in 2016.*

## Job losses accelerate in the first half

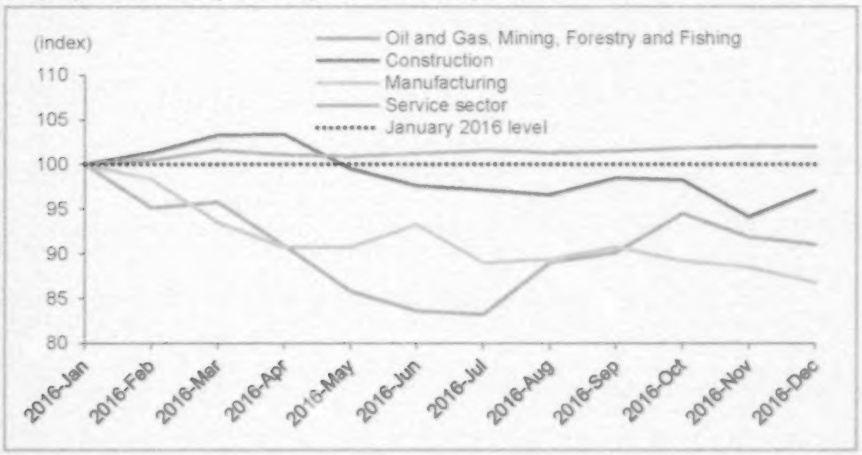
Alberta's labour market conditions deteriorated further in 2016 after weakening in late 2015. As a whole, employment fell by over 37,000. Losses accelerated in the second quarter, when employment fell by 21,000, the largest quarterly decline since the first quarter of 2009. The decline in full-time jobs exceeded overall losses and outpaced increases in part-time employment (Chart 1).

Chart 1: Alberta employment declined considerably in 2016
Annual change in employment levels, by type




**Source:** Statistics Canada, Labour Force Survey

Chart 2: Resource industry led second half improvement
Employment level by industry, index January 2016 = 100




**Source:** Statistics Canada, Labour Force Survey

Have a question or idea for Labour InSight? Send us an *email*.

## Goods sector hardest hit

There were broad-based declines across most industries in the goods sector. Job losses totalled 63,800, with losses in full-time employment (-65,700) only slightly offset by gains in part-time. There were heavy losses in the manufacturing industry in addition to declines in oil and gas and construction. While jobs in primary industries started to pick up in the second half of 2016, employment in construction and manufacturing remained weak throughout the year.

## Part-time supports services

Employment in the service sector grew by a solid 26,500 in 2016, partly offsetting losses in the goods sector. However, gains in services masked weaker underlying conditions. The private service sector only accounted for about a quarter of the increase in overall services employment. All of the gains were in part-time positions in industries such as retail trade and information, culture and recreation, whereas full-time employment declined in wholesale trade and transportation and warehousing.

## Jobs pick up in last half

Employment began to improve after reaching a low in July, led by the resource sector (Chart 2). There were about 18,000 jobs created between July and December. Employment also stabilized in a number of service industries related to the resource sector such as professional and scientific and technical services and transportation and warehousing.

## Contact

*Robert Van Blyderveen* 780.638.5628